



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

April 7, 2004

CERTIFIED RETURN RECEIPT
7099 3400 0016 8896 1874

David Taylor
Miracle Rock Mining and Research
400 South 200 East
P. O. Box 76
Emery, Utah 84522

Subject: Division Directive, Miracle Rock Mining and Research, The Rockland Mine, S/015/040, Emery County, Utah

Dear Mr. Taylor:

On March 17, 2003, the Division of Oil, Gas and Mining issued a Notice of Noncompliance for the referenced mine. This notice required that you submit a Notice of Intention to Commence Large Mining Operations (NOI) and a reclamation bond in the amount of \$30,000 for the six acres of disturbance. On June 13, 2003, the Division received an NOI, and a review letter was sent to you August 4, 2003. At that time the Division asked that you respond to the review by September 12, 2003. Although we have met with you, we have received no written response to the review.

By letter received July 28, 2003, you requested that the Division consider the bond being held by the School and Institutional Trust Lands Administration (SITLA) in the amount of \$12,500 to be adequate for the reclamation bond. SITLA notified the Division that \$12,000 of this bond could be applied toward reclamation and the balance of \$500 should be considered as a bond for rents and royalties. The Division inspected the mine on August 7, 2003, and has determined that the SITLA bond is not adequate to cover the costs of third party reclamation of the site. Until detailed mining and reclamation plans have been accepted, a transitional bond of \$30,000 is still required.

The Division was informed on March 31, 2004, that two certificates of deposit totaling \$5000 that were being held as part of the bond with SITLA have been cashed. Therefore, instead of \$12,000 being available for reclamation, the bond with SITLA is now only \$7500 with \$7000 being available for reclamation.

Mr. David Taylor
Miracle Rock Mining and Research
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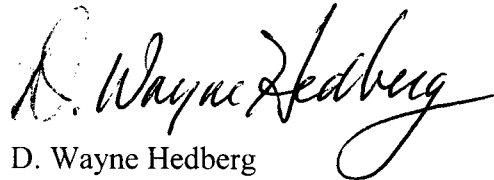
Because you have yet to provide either an adequate interim reclamation bond or a response to the Division's review of your NOI, we are issuing the following Division Directive:

Directive

1. Within 30 days of receipt of this Directive, Miracle Rock Mining and Research must submit a transitional reclamation bond in the amount of \$23,000 in a form acceptable to the Division.
2. Within 30 days of receipt of this Directive, Miracle Rock Mining and Research must submit a Notice of Intention to Commence Large Mining Operations in response to the Division's August 4, 2003, review.
3. ***If you fail to submit the required bond and Notice of Intention, the Division will issue an order suspending all rights to mine or remove any material from the site.***

If you wish to appeal this decision, you may contact the Division to schedule an informal meeting before the Division's Associate Director. Please contact Vickie Southwick, Executive Secretary, at (801) 538-5304, ***within 10 days of your receipt*** of this notice, if you choose to arrange such a meeting. If you have any questions regarding this Division Directive, you may contact me at (801) 538-5286, or Paul Baker at (801) 538-5361. Thank you for your cooperation and immediate attention to this permitting concern.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

DWH:PBB:jb

cc: John Blake, SITLA
MaryAnn Wright, DOGM
Vickie Southwick, DOGM

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